Social Security

Memorandum

Date: December 19, 2001

To: Representative Jim DeMint

From: Steve Goss, Chief Actuary

Subject: * Estimated Financial Effects of the "Social Security Ownership and Guarantee Act of 2001" -- INFORMATION

This memorandum presents estimates for the plan sponsored by you and Representative Armey. Our understanding of the intent of this plan comes as a result of working with Matt Hoskins of your staff.

This plan would establish voluntary, progressive individual accounts for workers who are under age 55 on January 1, 2003 and provide for an offset against their Social Security retirement and aged survivor benefits. Individual account (IA) assets would be invested by individual workers through the Personal Savings Board (PSB) with a specified allocation 60 percent in broad indexed equity funds and 40 percent in bonds issued by the Federal government. At least partial annuitization of the IA accumulation would be required at retirement.

The benefit offset would be based on the amount of the full annuity that would be available through the PSB at retirement. The offset would initially be at a level of 90 percent of the available full annuity, providing an incentive for early participation. The offset rate would rise gradually to 100 percent over roughly 40 years as the program matures. As the program matures and workers are able to make IA contributions throughout their careers, the likelihood that the full IA annuity would exceed the scheduled OASI benefit would increase, thus maintaining an incentive to participate. The ability of the Social Security trust funds to meet benefit obligations would be maintained through a combination of transfers from the General Fund of the Treasury and special Social Security Transition (SST) Bonds issued to individual accounts.

Under the plan specifications and assumptions described below the Social Security program would be expected to meet its benefit obligations throughout the long-range period 2001 through 2075. All estimates are based on the intermediate assumptions of the 2001 Trustees Report plus additional assumptions described below.

Plan Specification

Individual Accounts

Starting in 2003, workers who have not yet reached their 55th birthday as of January 1, 2003 and have earnings in OASDI (Social Security) covered employment will have a portion of their payroll tax contribution (12.4 percent of taxable earnings in total) redirected from the OASDI Trust Funds to an individual account. The percentage of taxable earnings to be redirected will vary based on a linear, progressive scale, with 8 percentage points redirected for a worker with $1 of earnings, and 3 percentage points redirected for a worker with maximum taxable earnings ($80,400 for 2001). See Table A attached. The progressive scale for IA contributions redirected from the OASDI Trust Funds is estimated to amount to about 5.1 percentage points of the 12.4 percent payroll tax rate on average. The total amount redirected from the OASDI contribution rate indicated in Table 1a is less than 5.1 percent of payroll for years through 2026, because workers age 55 and older at the beginning of 2003 have no IA contributions.

While the plan would offer the IA as an option, the nature of the plan will provide a high likelihood that available retirement benefits will be higher than if the option is not selected. In addition, the plan would guarantee that total potential retirement benefits for each worker (assuming full annuitization) would not be reduced by having selected the option below the level of benefits scheduled under current law for Social Security. Thus, participation is assumed to be universal for estimated presented in this memorandum.

IA contributions directed to the IA of a worker based on a year's earnings are not determinable until earnings are reported to and tabulated by the Social Security administration. Because this reporting is made by employers on an annual basis after the end of the calendar year, amounts for individual workers are not determinable for somewhat over a year, on average, after the date on which earnings are paid. Under the proposal, IA contributions would be credited to the individual accounts as soon as current reporting permits, with amounts increased by the equivalent of a money-market yield from the June 30 of the year of earnings to the point of crediting to the workers account. The real money-market yield is assumed to average 2 percent, or about 1 percentage point below the yield on special bonds issued to the trust funds.

Under the plan, individual account (IA) assets, once credited, would be automatically invested by workers through the Personal Savings Board (PSB). IA balances would be maintained with 60 percent in one or more specified broad index funds consisting of private equities for corporations based in the United States (such as the Wilshire 5000) and 40 percent in long-term bonds issued by the Federal government. Initially the bond portion of assets would be invested in special Social Security Transition (SST) Bonds. Due to the nature of the accounts, an ultimate administrative cost of 0.1 percent of assets is assumed to be reasonable.

IA Disbursements and Annuitization

At retirement, the worker would have two annuitization options for IA balances. The first option would provide for full annuitization of all IA assets in a CPI-indexed life annuity administered by the PSB. The annuity would be computed at retirement based on an assumption of investment of 60 percent in a broad equity index and 40 percent in long-term Federal bonds, with an assumed administrative expense of 0.3 percent of assets each year. Assets held by the PSB would, in fact, be invested 60 percent in equities and 40 percent in Federal bonds. The annuity would be computed using the assumed long-term future returns on equities and long-term Federal bonds as determined by the PSB at the time of annuitization. This PSB would assume all risk associated with guaranteeing this yield on life annuities, regardless of what actual investment returns turn out to be. The PSB would be backed by the Treasury of the United States government. Thus, the General Fund of the Treasury would provide the "insurance" that the full amount of the annuity will be paid for life regardless of actual investment returns.

Under the second option available at retirement, 40 percent of accumulated IA assets would be required to be used to purchase special CPI-indexed life annuities administered by the PSB that would have a yield based on having all assets invested in long-term Federal bonds. If this annuity plus the Social Security benefit, reduced by the offset under this provision, provide a total monthly income that is less than the poverty level, then additional assets in the IA will be required to be annuitized in order to bring the total monthly payment up to the poverty level. If less than the total amount of IA assets are annuitized, the balance of IA assets may be disbursed or held as the retired worker wishes. All disbursements from IAs after retirement are considered to be Social Security benefits for the purpose of Federal income taxation, with revenue directed to the OASI, DI and HI trust funds as under current law.

Upon entitlement to retirement or aged survivor benefits under the current rules of the OASDI program, a monthly CPI-indexed annuity amount based on either full annuitization or at least 40 percent of assets (at the option of the retiree) would be computed by the Personal savings Board. The annuity would reflect all potential benefits that might be payable under the OASDI program (i.e., retired worker, spouse, child, widow(er), and surviving spouse benefits). Annuity calculations would be made at benefit entitlement based on the then-current expected long-range future yield on invested assets and the then-current expected future death rates for the potential beneficiaries.

For individuals who die before receiving retirement (retired worker or aged spouse) benefits, the IA assets will be transferred to the account of the surviving spouse, if any, but will be allocated as needed to provide annuities for any surviving children of the deceased. If there are no survivors, and the worker dies before retiring, then the account balance goes to the worker's estate, tax free.

Social Security Benefit Offset

OASI retirement and aged survivor benefits will be reduced (offset) based on the amount of the annuity that was available under the full-annuitization option whether this option was selected or not. Benefits payable to disabled workers, to their dependents, and to survivors other than surviving spouse beneficiaries at age 60 or older are not subject to offset.

For workers 24 and under in 2003, OASI benefits will be reduced (offset) $1 for each $1 of total potential annuity payment (assuming full annuitization had been selected). For workers age 54 on January 1, 2003, OASDI benefits will be reduced by $0.90 for each $1 of IA potential annuity. For workers at ages 25, 26, ... , 53 in 2003, a linear scale of reduction will be applied, equal to $0.9967, $0.9933, ..., $0.9033 for each $1 of potential IA annuity, respectively.

Social Security Transition Bonds

The Social Security Transition (SST) Bonds would be issued by the OASDI Trust Funds, or on behalf of the Trust Funds (by the Department of the Treasury). Money invested in SST Bonds would be deposited in the OASDI Trust Funds. SST Bonds would be assigned the same interest rate that is applicable to special obligations of the Treasury newly issued to the OASDI Trust Funds, i.e., the average market yield on all marketable U.S. Treasury securities with a remaining duration to maturity over 4 years.

The proportion of the non-equity assets in IAs and special annuity accounts would be gradually shifted from SST Bonds to marketable long-term U.S. Treasury securities, as quickly as possible (after transfers from the General Fund of the Treasury to the trust funds are no longer expected to be needed) while maintaining a non-negative cash flow from the Trust funds to the General Fund of the Treasury (see Table 1c). A percentage would be determined annually for the amount of total IA and annuity assets that would be held in SSA Bonds. When this percentage is lower than 40 percent, the difference would be invested in marketable Treasury securities. For those selecting the full-annuitization option, assets would be invested as are assets for individual accounts. For those selecting the optional partial annuitization, all assets would be initially held in SST Bonds. As the percentage of IA assets and full-annuity assets required to be held in SST Bonds is reduced below 40 percent, the percentage of assets for the partial annuity that would be held in SST Bonds would be reduced below 100 percent, on a proportionate basis (i.e., by 2.5 percentage points below 100 percent for each 1-percentage-point reduction below 40 percent).

If tax revenue for the OASDI program is expected to be insufficient to pay program benefits for any year after the percentage of IA assets held in SST Bonds has been reduced below 40 percent, then this percentage will be

increased for the following year in order to provide sufficient revenue for full payment of benefits, but to no higher than 40 percent of IA assets.

Personal Savings Board

The IA assets and special annuity assets (at least 40 percent of accumulated IA assets being required to have been annuitized) of all workers will be managed with a single entity, the Personal Savings Board (PSB), maintaining records and issuing periodic statements to account holders. The IA management would be based on the design of the government employee TSP plan, with limited reporting requirements. Assets would be invested in bulk with large financial institutions. Through this approach it is assumed that IA administrative costs can be expected to be modest, ultimately around 0.1 percent of IA assets for each account holder, as for the TSP plan. This might require some Federal subsidy in early years for the IA, when account balances are low and start-up costs are incurred.

General Fund Transfers to the Trust Funds

The OASDI Trust Funds will receive transfers from the General Fund of the Treasury as needed in any future year sufficient maintain Trust Fund cash holdings at a minimum level equal to about one year's estimated net OASDI cost (net of benefit reductions under the plan). Trust Fund cash holdings include revenue "invested" in the Trust Funds by IAs in the form of SST Bonds. The amount of General Fund transfer for each calendar year would be determined by the end of the preceding year by the Social Security Administration based on the intermediate estimates included in the Trustees most recent Annual Report. General Fund transfers will be required only after the portion of IA assets held in SST Bonds has been set at 40 percent.

Assumptions

The nature of the guarantee that participants in the voluntary option for individual accounts would receive under this proposal would assure that their total benefits will be no lower than if they do not exercise the option, but may well be higher. As a result, universal participation for eligible workers has been assumed for estimates presented in this memorandum.

As indicated above, estimates provided in this memorandum are based on the intermediate assumptions of the 2001 Trustees Report. In addition, the long-term ultimate average annual real yield assumed for equities is 6.5 percent. This is slightly lower than the expected real equity yield used for estimates produced by the Office of the Chief Actuary over the last several years.

A consensus is forming among economists that equity pricing as indicated by price-to-earnings ratios may average somewhat higher in the long-term future

than in the long-term past. This is consistent with broader access to equity markets and the belief that equities may be viewed as somewhat less "risky" in the future than in the past. Equity pricing will vary in the future as in the past. Price-to-earnings ratios were very high in the recent past, and are now lower. The average ultimate real equity yield assumed for estimates in this memorandum is consistent with an average ultimate level of equity pricing somewhat above the average level of the past. The extent of this ultimate change is unknown, but it is consistent with assuming a real equity yield somewhat below the long-range past average of about 7 percent.

The assumption for an ultimate real equity yield of 7 percent that was used until this year was developed in 1995 with the 1994-6 Advisory Council. At the time, the Trustees assumption for the ultimate average real yield on long-term Treasury bonds was 2.3 percent at the time. Real yields on corporate bonds are believed to bear a close relationship to Treasury bond yields of similar duration. The 2001 Trustees Report includes the assumption that the ultimate real yield on long-term Treasury bonds will average 3 percent, or 0.7 percentage point higher than in 1995. This increase in the assumed bond yield is consistent with a reduction in the perceived risk associated with equity investments.

Financial Effects of the Plan

Table 1a indicates that under intermediate assumptions for the future, General-Fund transfers specified under the plan would be needed to keep the trust fund ratio from falling below 100 percent of annual expenditures starting 2019 and continuing through 2047. While the "cash position" of the Trust Funds would be positive throughout the long-range period meaning that benefits would be payable in all years, the "net assets" of the Trust Funds would be negative after 2013 because of SST Bonds issued to the IAs are effectively loans to the trust funds. As a result, the OASDI actuarial balance is projected to be −1.16 percent of taxable payroll. However, the proportion of IA and annuity assets that would be held in SST bonds would be expected to start declining around 2051, declining from 40 percent in the initial years of the plan and reaching about 35 percent by 2076. As this proportion would be expected to continue declining under the intermediate assumptions, the plan would be moving toward paying off the debt financing provided through SST bonds.

Tables 1b1 provides an analysis of the cash position of Trust Fund reserves, and of net OASDI trust fund assets. For purpose of comparison, the net OASDI trust fund assets are also shown for a theoretical Social Security program where borrowing authority is assumed for the trust funds. (The theoretical Social Security program with borrowing authority is presented both with and without the General Fund transfers expected under this plan, as shown in table 1a.) As indicated in Table 1a, the percentage of IA and annuity assets held in SST Bonds would be expected to begin declining below 40 percent in 2051.

Table 1b2 Provides estimates of the effect on federal unified budget cash flows and balances under this plan and these assumptions. The effect on unified budget cash flow would be expected to be negative initially, but positive starting 2039. It is important to note that these estimates are based on the intermediate assumptions of the 2001 Trustees report and thus are not consistent with estimates made by the OMB or the CBO based of their assumptions.

Table 1c provides estimates of the net cash flow from the OASDI trust funds to the General Fund of the Treasury. Revenue transferred from the Treasury to the Trust Funds for the redemption of the special-issue Treasury obligations held by the Trust Funds is included here as a negative cash flow to the General Fund. Values in Table 1c are shown in current dollars, present value as of 1/1/2001, and in constant 2001 dollars (discounted to 2001 with the projected growth in the CPI). For comparison purposes, net cash flow is also shown for a theoretical Social Security program where transfers from the General Fund of the Treasury to the OASDI trust funds are assumed to occur as needed to assure full payment of scheduled benefits in 2038 and later.

Table 1d provides estimates of the percentage of potential aggregate retirement benefits (OASI benefits plus IA annuities assuming all participate in the IA and all select full annuitization) that would be provided by the IA annuities. Under the assumptions stated above, this percentage would be expected to reach 80 percent by 2073.

Table 1e provides a comparison of total expected benefits from: (1) OASDI under current-law scheduled benefit formulas, (2) OASDI with benefits limited to the amount that is expected to be payable under current law after the trust funds are exhausted in 2038, (3) OASDI benefits under the DeMint proposal, reflecting benefit offsets assuming all participate in the IA, and (4) total OASDI and IA potential benefits under the DeMint proposal assuming all participate and select full annuitization. Amounts for the latter three are also shown as a percentage of scheduled OASDI benefits under current law.

Sensitivity Analysis

Tables 2, 3, and 4 provide analyses of the implications of realizing actual real yields on accounts that are for one percent higher than expected (Table 2), one percent lower than expected (Table 3), and the same level as assumed for long-term Treasury bonds (Table 4). Table 4 illustrates the case where either the average real yield on equities is no higher than on bonds, or the illustration of a risk-adjusted return on equities. In each case, the "expected" yield on annuitized assets is assumed to match the actual yield, on average. It should be noted that while average real yields for equities below 3 percent occur for periods of a decade or so, the likelihood of having such a low average yield for a period of several decades seems extremely low. The sensitivity analysis with a 1-percent lower average yield for the total portfolio would be consistent with a bond yield as

expected plus an equity yield that is 1 2/3 percent lower than expected, or about 4.8 percent real. A rate this low should be expected to be very unlikely over a longer range period, like 50 to 75 years, based on historical experience. Thus, the likelihood that the financing of the OASDI program over the next 75 years would differ by as much as indicated in these sensitivity analyses is low. Similarly, long-term average real equity yields well above 6.5 percent are also possible, but unlikely. Universal participation in the IA and full annuitization by all are assumed for these sensitivity analyses.

Table 2a indicates the possibility of substantially smaller General Fund transfers for fewer years (2020 through 2038) under the plan if IA yields are above expectations. Tables 3a and 4a indicate substantially higher transfers would be needed from the General Fund of the Treasury, starting 2018 and 2017, respectively, and lasting indefinitely. The percentage of IA and annuity assets held in SST Bonds would be expected to drop below 21 percent by 2076 with the higher yields in Table 2, but not be expected to be reduced below 40 percent for the lower yields in Tables 3 and 4.

It must be noted that the uncertainties associated with equity investments, bond yields, and mortality improvement, as well as with a number of additional variables means that actual experience could vary from the illustrations provided in Tables 1, 2, 3, and 4. In any case, the DeMint plan would provide for adequate financing for the OASDI program through the provisions described above.

Expected IA Annuity Payments Relative to OASDI Benefit Levels

Methodology

For the purpose of this analysis, individuals are assumed to have taken the full-annuitization option. Values in the "Monthly Annuity" Tables 3 and 4 provide the expected level of a CPI-indexed, monthly life annuity from an individual account accumulation, expressed as a percentage of the scheduled monthly Social Security benefit under present law for several hypothetical cases. These estimates are indicated as preliminary because they may tend to overstate the level of monthly payment that can be provided from individual account asset accumulations somewhat. (See discussion of mortality below).

IA contributions are assumed to begin at age 21, or in the year 2003 if later. Contributions are assumed to be at the formula rate based on each worker's earnings that are taxable under the OASDI program. IA contributions apply only for individuals 54 or younger at the beginning of 2003, so those reaching age 65 in 2013 and later are all assumed to participate. Values for those reaching age 65 in 2012 would not participate, but are included in the tables in order to illustrate the limit of IA annuities at the oldest ages. All annuities for married

couples are assumed to be joint, with the survivor receiving two thirds of the monthly payment that is provided while both spouses are alive.

Four illustrative earnings levels are included. The "scaled" low, medium, and high earners have earnings patterns that reflect the relative probability of work and relative level of earnings by age during the period 1988-97. The absolute level of earnings in each case was set so that the Social Security PIA would be equal to that for a "steady" earner with low, average, and high earnings, respectively, in each year prior to retirement. For the steady average earner, the earnings level is the SSA average wage index (AWI) level for each year. For the steady low earner, earnings at 45 percent of the AWI are assumed. For the steady high earner, earnings at 160 percent of the AWI are assumed. The steady maximum worker is assumed to have earnings equal to the SSA taxable maximum each year prior to retirement. While these cases are hypothetical, the PIA for the medium (or steady average) earner is close to the median PIA for retired worker beneficiaries. See Social Security Administration Actuarial Note Number 144 for a full description of these hypothetical cases.

These two tables provide projected ratios of potential monthly life annuity from the IA (assuming full annuitization) to the scheduled OASDI benefit under present law, for single and married workers, respectively. IA assets for individuals are assumed to be invested 60 percent in stock, and account balances are assumed to be used to purchase a life annuity at retirement (assumed at age 65). Four cases are illustrated in four columns of values.

Values in the first column reflect the expected returns under the intermediate assumptions. These assume the expected ultimate average real yield on equities at 6.5 percent with a net real yield on IA assets of 5.0 percent (with 60 percent in equities, 40 percent in Federal bonds, and an administrative expense of 0.1 percent). Life annuities are assumed to reflect a real yield (valuation interest rate) of 4.8 percent, based on investment 40 percent in equities and an administrative expense of 0.3 percent of assets.

The second column in these illustrations, is a case where total annual real returns on IA assets and annuities are assumed to be 1 percentage point higher than under the intermediate assumptions. This is consistent with the sensitivity analysis shown in Table 2a. To achieve this higher yield within the model, a higher percentage of the portfolio was indicated as being in equities (even though this is not permitted in the plan), but the case is intended to illustrate the effect of a higher yield for any reason.
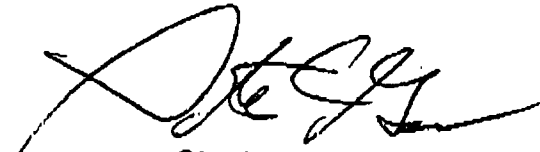
The third and fourth columns in these illustrations illustrate the implications of lower yields, consistent with the assumptions in Tables 3a and 4a, respectively.

Table A3 provides estimated accumulated IA assets at age 65, just prior to annuitization for the cases described above. Estimates are provided in both current dollars and constant 2001 dollars.

Mortality Assumption

Mortality for the individual account annuities calculated here is assumed to be the average for the total U.S. population, for all income levels. In fact, if individual account annuities were to be provided at retirement for individual account accumulations, the expected mortality experience of annuitants, weighted by amount of assets to be annuitized, would be better (lower death rates) than for the general population. Individuals with lower accumulated assets due to lower lifetime earnings, or disability prior to retirement, tend to have higher mortality, all else being equal. Thus, the use of general-population mortality in these illustrations tends to understate the weighted life expectancy of annuitants, and overstate the size of the monthly annuity from individual account accumulations.

The tendency to overstate the size of payments from annuities is much greater if these illustrations are used in the analysis of a voluntary plan where higher-income and healthier individuals would be expected to be more likely to participate in annuitization.

Stephen C. Goss

Table A. Individual Account Contributions for Workers in 2001

DeMint   *Contrib Rt:*   *8 % for $1,*   *3 % for Max*

Level of Annual OASDI Taxable Earnings	PSA Contribution as a Percentage of Earnings	PSA Contribution in Dollar Amount
$1,000	7.94%	$79.38
5,000	7.69%	384.45
10,000	7.38%	737.81
20,000	6.76%	1,351.24
30,000	6.13%	1,840.30
40,000	5.51%	2,204.98
50,000	4.89%	2,445.27
60,000	4.27%	2,561.19
70,000	3.65%	2,552.74
80,400 (taxable maximum)	3.00%	2,412.00
15,156 (Low = 45% of AWI	7.06%	1,069.64
33,680 (Average = AWI)	5.91%	1,988.98
38,100 (1/2 taxable maximum)	5.63%	2,145.26
53,889 (High = 160% of AWI	4.65%	2,505.13
64,320 (Peak $ Contrib)	4.00%	2,572.80

OCACT/SSA December 16, 2001

Table 1
NO Clawback at Death <65 If No Survivor Stock Yld 6.5%

a DeMint: 8-3%IA<55on1/1/03, 90/100%BenOfst, IA Dist Taxed like Ben

With Ult Real TF Int Rate of 3.0
With Ult Real IA Yld Rate for Age 40+ of 5.0
With Offset Annuity Net Yld Rate of 4.8

IA Cntrb 5.1 %, Ben Offse 100.0 %
Real Int Rt First 1.33 Year after earnings 2.0

Year	Cost Rate*	Income Rate	Annual Balance	TFR** 1-1-yr	<50.IAYdr%Stk 5.0 / 60 Percent of IA Assets held in SST Bonds On 12/31	Effectv OASDI Contrb Rate	Cash Flow to the GF (Tab c) (bill cur$)	Net Purchase of SST Bonds by Individual Accounts***	Change in OASDI Contrib Rt from IA Contrib	Transfer from GF
2001	10.49	12.72	2.23	239		12.40				
2002	10.42	12.72	2.30	264		12.40				
2003	10.49	8.70	-1.74	288	40	8.37	-8	1.56	4.03	
2004	10.48	8.39	-2.09	290	40	8.05	-18	1.72	4.36	
2005	10.56	8.32	-2.24	288	40	7.97	-23	1.78	4.43	
2006	10.64	8.25	-2.39	284	40	7.90	-29	1.85	4.50	
2007	10.77	8.18	-2.59	279	40	7.82	-38	1.91	4.58	
2008	10.93	8.15	-2.78	273	40	7.77	-48	1.97	4.63	
2009	11.12	8.12	-3.00	264	40	7.73	-61	2.03	4.67	
2010	11.30	8.09	-3.21	255	40	7.68	-74	2.07	4.72	
2011	11.47	8.05	-3.42	244	40	7.63	-80	2.11	4.77	
2012	11.69	8.02	-3.68	231	40	7.59	-109	2.15	4.81	
2013	11.93	7.98	-3.95	217	40	7.54	-133	2.19	4.86	
2014	12.19	7.95	-4.24	201	40	7.50	-159	2.23	4.90	
2015	12.46	7.94	-4.51	184	40	7.47	-187	2.26	4.93	
2016	12.72	7.94	-4.78	165	40	7.46	-217	2.28	4.94	
2017	12.99	7.93	-5.06	145	40	7.44	-250	2.30	4.96	
2018	13.26	7.93	-5.33	124	40	7.42	-285	2.32	4.98	
2019	13.52	10.93	-2.59	102	40	10.40	-322	2.34	5.00	3.00
2020	13.76	11.43	-2.33	100	40	10.89	-361	2.35	5.01	3.50
2021	13.97	11.64	-2.33	100	40	11.07	-399	2.36	5.03	3.70
2022	14.15	11.65	-2.50	100	40	11.05	-436	2.37	5.05	3.70
2023	14.31	11.85	-2.45	100	40	11.24	-473	2.37	5.06	3.90
2024	14.44	11.88	-2.56	100	40	11.23	-509	2.36	5.07	3.90
2025	14.54	11.99	-2.55	100	40	11.32	-545	2.35	5.08	4.00
2026	14.62	12.11	-2.51	100	40	11.41	-579	2.34	5.09	4.10
2027	14.66	12.12	-2.53	100	40	11.40	-612	2.32	5.10	4.10
2028	14.66	12.05	-2.61	100	40	11.30	-641	2.30	5.10	4.00
2029	14.62	12.08	-2.54	100	40	11.30	-665	2.26	5.10	4.00
2030	14.54	11.90	-2.64	100	40	11.10	-685	2.23	5.10	3.80
2031	14.44	11.93	-2.51	100	40	11.10	-702	2.18	5.10	3.80
2032	14.30	11.75	-2.55	100	40	10.90	-715	2.13	5.10	3.60
2033	14.15	11.58	-2.57	100	40	10.70	-725	2.08	5.10	3.40
2034	13.95	11.50	-2.46	100	40	10.60	-725	2.03	5.10	3.30
2035	13.72	11.22	-2.49	100	40	10.30	-718	1.98	5.10	3.00
2036	13.46	11.05	-2.41	100	40	10.10	-705	1.92	5.10	2.80
2037	13.18	10.77	-2.41	100	40	9.80	-684	1.85	5.10	2.50
2038	12.87	10.59	-2.28	100	40	9.60	-656	1.78	5.10	2.30
2039	12.55	10.32	-2.23	100	40	9.30	-621	1.70	5.10	2.00
2040	12.22	10.04	-2.18	100	40	9.00	-579	1.62	5.10	1.70
2041	11.87	9.76	-2.11	100	40	8.70	-532	1.53	5.10	1.40
2042	11.53	9.59	-1.94	100	40	8.50	-480	1.43	5.10	1.20
2043	11.20	9.31	-1.89	100	40	8.20	-430	1.33	5.10	0.90
2044	10.90	9.24	-1.66	100	40	8.10	-379	1.22	5.10	0.80
2045	10.59	8.97	-1.62	100	40	7.80	-325	1.11	5.10	0.50
2046	10.28	8.70	-1.58	100	40	7.50	-267	0.99	5.10	0.20
2047	9.94	8.63	-1.31	100	40	7.40	-198	0.85	5.10	0.10
2048	9.61	8.56	-1.05	100	40	7.30	-129	0.70	5.10	
2049	9.32	8.59	-0.72	101	40	7.30	-63	0.56	5.10	
2050	9.04	8.63	-0.41	105	40	7.30	1	0.41	5.10	
2051	8.87	8.66	-0.21	109	39.97	7.30	9	0.23	5.10	
2052	8.72	8.68	-0.04	113	39.91	7.30	6	0.05	5.10	
2053	8.54	8.72	0.17	117	39.81	7.30	6	-0.16	5.10	
2054	8.38	8.74	0.36	122	39.68	7.30	11	-0.34	5.10	
2055	8.24	8.77	0.54	127	39.52	7.30	8	-0.52	5.10	
2056	8.11	8.80	0.70	131	39.34	7.30	11	-0.67	5.10	
2057	7.99	8.83	0.84	136	39.14	7.30	7	-0.82	5.10	
2058	7.89	8.86	0.97	140	38.93	7.30	13	-0.94	5.10	
2059	7.81	8.89	1.08	145	38.71	7.30	12	-1.06	5.10	
2060	7.74	8.91	1.18	149	38.48	7.30	5	-1.17	5.10	
2061	7.68	8.94	1.26	153	38.25	7.30	9	-1.26	5.10	
2062	7.64	8.95	1.33	157	38.02	7.30	8	-1.32	5.10	
2063	7.53	8.99	1.45	162	38.85	7.30	30	-1.41	5.10	
2064	7.44	9.01	1.57	167	37.67	7.30	13	-1.55	5.10	
2065	7.36	9.03	1.67	172	37.48	7.30	12	-1.65	5.10	
2066	7.29	9.05	1.75	177	37.28	7.30	4	-1.75	5.10	
2067	7.24	9.07	1.83	182	37.08	7.30	30	-1.79	5.10	
2068	7.19	9.08	1.89	187	36.87	7.30	10	-1.88	5.10	
2069	7.16	9.10	1.94	192	36.66	7.30	27	-1.91	5.10	
2070	7.14	9.12	1.97	196	36.45	7.30	39	-1.94	5.10	
2071	7.13	9.13	2.00	200	36.24	7.30	45	-1.96	5.10	
2072	7.13	9.14	2.01	205	36.03	7.30	47	-1.97	5.10	
2073	7.14	9.16	2.02	209	35.82	7.30	42	-1.98	5.10	
2074	7.16	9.17	2.01	213	35.61	7.30	30	-1.98	5.10	
2075	7.19	9.18	1.99	216	35.40	7.30	12	-1.98	5.10	
2076	7.22	9.19	1.97	219	35.20	7.30	51	-1.93	6.10	

	Summarized CostRt OASDI	IncRt OASDI	ActBal OASDI	Change in ActBal						
2001 -2075	11.41	10.25	-1.16	0.70						

Based on Intermediate Assumptions of the 2001 Trustees Report
* With Ult TF Real Int Rate of 3.00
* Net of Benefit Offset
** Including borrowing from Ind Accts in Form of SSA Bonds
*** Excluding reinvestment of interest in SSA Bonds.

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Calendar Year	Total OASDI Trust Fund Cash Reserve* at End of Yr (1)	SST Bonds Invested in the Trust Funds Interest Earned in Year (2)	Purchase (Sale)** During Year (3)	Accumulated Value at End of Yr (4)	Net OASDI TF Assets at End of Yr: Net of Borrowing Through SST Bonds (5)	Individual Account Assets*** at End of Yr (6)	Theoretical Social Security with Borrowing Authority Net OASDI TF Assets End of: Without GF Transfer (7)	With GF Transfer (see Table) (8)
	Billions of Constant 2001 Dollars				*Billions of Constant 2001 Dollars*			
2001	1,198			0	1,198		1,198	1,198
2002	1,338	0.0	0.0	0	1,338	0	1,338	1,338
2003	1,372	2.3	68.4	70	1,303	174	1,482	1,482
2004	1,396	6.8	78.5	150	1,246	374	1,628	1,628
2005	1,415	11.9	80.7	236	1,179	690	1,776	1,776
2006	1,429	17.4	85.1	329	1,100	823	1,924	1,924
2007	1,438	23.3	89.5	430	1,008	1,075	2,074	2,074
2008	1,439	29.7	83.6	537	902	1,344	2,221	2,221
2009	1,432	36.5	97.9	652	779	1,632	2,366	2,366
2010	1,415	43.8	101.5	775	641	1,938	2,506	2,506
2011	1,389	51.7	105.5	905	485	2,263	2,642	2,642
2012	1,360	60.1	109.2	1,042	308	2,608	2,769	2,769
2013	1,297	69.0	112.9	1,188	109	2,973	2,886	2,886
2014	1,228	78.5	116.6	1,342	-114	3,359	2,991	2,991
2015	1,143	88.6	119.6	1,504	-361	3,765	3,082	3,082
2016	1,040	98.9	122.5	1,674	-634	4,191	3,158	3,158
2017	918	109.7	125.4	1,852	-933	4,637	3,216	3,216
2018	777	121.0	128.0	2,038	-1,260	5,104	3,255	3,255
2019	786	132.9	130.6	2,232	-1,446	5,592	3,274	3,445
2020	810	145.2	133.0	2,434	-1,624	6,101	3,273	3,649
2021	835	158.0	135.3	2,645	-1,810	6,631	3,251	3,854
2022	862	171.4	137.3	2,864	-2,012	7,183	3,209	4,047
2023	872	185.3	139.0	3,092	-2,219	7,756	3,146	4,242
2024	868	199.7	140.4	3,328	-2,442	8,351	3,063	4,427
2025	900	214.6	141.6	3,572	-2,672	8,967	2,959	4,608
2026	917	230.0	142.5	3,824	-2,908	9,605	2,834	4,786
2027	931	246.0	143.2	4,085	-3,154	10,265	2,688	4,955
2028	938	262.4	143.3	4,354	-3,415	10,947	2,522	5,111
2029	948	278.4	143.1	4,630	-3,682	11,649	2,338	5,260
2030	950	296.8	142.5	4,915	-3,986	12,372	2,134	5,391
2031	956	314.7	141.6	5,207	-4,250	13,116	1,912	5,517
2032	967	333.1	140.1	5,506	-4,549	13,881	1,672	5,628
2033	953	351.9	138.7	5,813	-4,860	14,666	1,415	5,717
2034	953	371.2	137.3	6,127	-5,175	15,471	1,143	5,800
2035	945	391.0	135.4	6,450	-5,504	16,295	858	5,861
2036	939	411.3	133.1	6,779	-5,840	17,138	556	5,908
2037	927	432.0	130.3	7,116	-6,166	17,998	242	5,933
2038	919	453.1	126.9	7,459	-6,540	18,876	-85	5,943
2039	908	474.6	123.1	7,809	-6,901	19,770	-424	5,931
2040	894	496.5	118.8	8,165	-7,271	20,679	-776	5,896
2041	877	518.8	113.4	8,526	-7,649	21,603	-1,141	5,837
2042	865	541.4	107.6	8,892	-8,027	22,538	-1,520	5,758
2043	848	564.3	101.0	9,262	-8,415	23,485	-1,914	5,652
2044	840	587.4	94.3	9,637	-8,798	24,442	-2,324	5,531
2045	825	610.8	86.8	10,016	-9,191	25,409	-2,751	5,380
2046	802	634.4	78.4	10,397	-9,595	26,383	-3,195	5,195
2047	789	658.1	67.5	10,779	-9,990	27,359	-3,659	4,992
2048	784	681.9	56.7	11,162	-10,377	28,336	-4,142	4,768
2049	794	705.6	45.7	11,544	-10,760	29,312	-4,646	4,531
2050	819	729.4	34.4	11,927	-11,108	30,289	-5,172	4,280
2051	845	753.1	19.5	12,306	-11,481	31,273	-5,723	4,014
2052	872	776.5	4.3	12,681	-11,809	32,264	-6,299	3,728
2053	900	799.5	-13.5	13,049	-12,149	33,263	-6,902	3,427
2054	929	822.2	-29.5	13,412	-12,483	34,269	-7,534	3,105
2055	959	844.8	-45.8	13,770	-12,811	35,283	-8,196	2,762
2056	990	866.7	-60.0	14,124	-13,134	36,305	-8,889	2,398
2057	1,021	888.5	-74.2	14,474	-13,453	37,336	-9,614	2,012
2058	1,054	910.2	-85.9	14,822	-13,768	38,377	-10,373	1,602
2059	1,088	931.8	-97.5	15,170	-14,082	39,428	-11,165	1,168
2060	1,122	953.4	-109.0	15,516	-14,394	40,490	-11,994	710
2061	1,158	974.9	-117.6	15,864	-14,706	41,565	-12,859	225
2062	1,194	996.6	-125.8	16,214	-15,020	42,653	-13,763	-285
2063	1,234	1,018.3	-136.5	16,564	-15,330	43,761	-14,705	-824
2064	1,273	1,039.9	-151.5	16,909	-15,635	44,886	-15,688	-1,390
2065	1,313	1,061.3	-163.4	17,252	-15,939	46,029	-16,713	-1,986
2066	1,354	1,082.5	-175.0	17,594	-16,240	47,193	-17,780	-2,612
2067	1,398	1,103.9	-191.6	17,939	-16,541	48,379	-18,893	-3,269
2068	1,442	1,125.3	-192.5	18,284	-16,842	49,590	-20,051	-3,953
2069	1,489	1,146.9	-198.1	18,633	-17,145	50,827	-21,257	-4,681
2070	1,536	1,168.8	-203.1	18,986	-17,450	52,093	-22,511	-5,439
2071	1,589	1,191.0	-207.6	19,349	-17,760	53,391	-23,817	-6,232
2072	1,642	1,213.6	-211.6	19,717	-18,074	54,723	-25,176	-7,062
2073	1,698	1,236.7	-215.1	20,092	-18,395	56,091	-26,587	-7,931
2074	1,751	1,260.3	-218.2	20,475	-18,725	57,499	-28,056	-8,840
2075	1,805	1,284.4	-220.7	20,868	-19,063	58,949	-29,581	-9,789
2076	1,864	1,309.3	-216.9	21,276	-19,412	60,443	-31,187	-10,782

* Including cumulative amount invested by IAs in the form of SST Bonds.
** Excluding reinvestment of interest on SST Bonds.
*** Including annuity assets, assuming all annuitize fully in the 60/40 option
**** Theoretical Social Security is the current Social Security program with the assumption that the law is modified to permit borrowing from the General Fund of the Treasury.

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Year	IA/Annuity Balance Year	Amount Contrib to IA: % from UB 100	Benefit Offset Due to IA	Ave IA Cntrb 5.1 %. Other Changes CashFlow	Change in Annual UB CashFlow	Benefit Offset 100.0 %, Change in Debt Public 1/ (EOY)	BenCut% Change in Ann Balance
				(Billions of Constant 2001$)			
2002	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2003	174.0	176.3	0.0	0.0	-176.3	179.1	-181.9
2004	373.9	193.8	0.0	0.0	-193.8	361.4	-211.0
2005	580.1	200.7	0.0	0.0	-200.7	596.2	-211.0
2006	823.5	207.6	0.0	0.0	-207.6	824.1	-230.5
2007	1,074.8	214.4	0.0	0.0	-214.4	1,065.6	-251.0
2008	1,344.1	220.1	0.0	0.0	-220.1	1,319.8	-272.1
2009	1,632.1	225.8	0.1	0.0	-225.7	1,586.9	-292.9
2010	1,937.6	231.6	2.1	0.0	-229.5	1,865.7	-314.5
2011	2,263.0	238.1	4.4	0.0	-233.7	2,157.3	-334.9
2012	2,607.8	244.2	7.1	0.0	-237.1	2,461.3	-356.9
2013	2,972.9	250.2	10.3	0.0	-239.9	2,777.6	-379.0
2014	3,358.9	256.2	14.0	0.0	-242.2	3,106.1	-401.4
2015	3,765.1	261.0	18.3	0.0	-242.7	3,445.6	-424.1
2016	4,191.1	265.4	23.1	0.0	-242.3	3,794.9	-445.9
2017	4,637.4	270.1	28.6	0.0	-241.5	4,153.8	-466.9
2018	5,104.1	274.5	34.7	0.0	-239.8	4,521.8	-486.0
2019	5,591.8	279.1	41.5	0.0	-237.6	4,898.5	-508.8
2020	6,100.6	283.6	49.2	0.0	-234.4	5,283.4	-529.8
2021	6,630.9	288.3	57.6	0.0	-230.7	5,676.0	-550.2
2022	7,182.7	292.7	66.9	0.0	-225.8	6,075.5	-570.6
2023	7,755.9	298.9	76.8	0.0	-220.1	6,481.1	-590.3
2024	8,350.7	301.2	87.7	0.0	-213.5	6,892.2	-609.5
2025	8,967.1	305.5	99.6	0.0	-205.9	7,308.0	-628.2
2026	9,605.3	309.8	112.4	0.0	-197.4	7,727.6	-646.3
2027	10,265.3	314.6	126.4	0.0	-188.0	8,150.2	-663.8
2028	10,948.6	318.3	141.4	0.0	-177.0	8,574.3	-680.4
2029	11,648.9	322.4	157.5	0.0	-164.9	8,998.8	-695.7
2030	12,372.3	326.6	174.9	0.0	-151.6	9,422.7	-709.9
2031	13,116.4	330.8	193.5	0.0	-137.3	9,844.7	-723.0
2032	13,881.1	335.2	213.4	0.0	-121.8	10,265.7	-734.9
2033	14,666.0	339.7	232.8	0.0	-106.8	10,679.9	-745.4
2034	15,470.8	344.3	253.5	0.0	-90.7	11,082.4	-756.3
2035	16,294.8	348.9	275.3	0.0	-73.6	11,488.8	-766.0
2036	17,137.5	353.6	298.2	0.0	-55.4	11,901.2	-774.3
2037	17,998.2	358.4	322.3	0.0	-36.1	12,294.8	-781.2
2038	18,876.1	363.2	347.8	0.0	-15.6	12,679.5	-786.5
2039	19,770.2	368.1	374.2	0.0	6.1	13,053.7	-790.2
2040	20,678.4	373.0	402.0	0.0	29.0	13,415.9	-792.0
2041	21,602.6	377.9	431.1	0.0	53.2	13,764.4	-791.9
2042	22,538.2	382.8	461.8	0.0	78.8	14,097.3	-789.7
2043	23,484.8	387.7	491.7	0.0	104.0	14,414.7	-785.3
2044	24,442.4	392.7	521.4	0.0	128.8	14,716.4	-780.3
2045	25,409.2	397.6	552.2	0.0	154.6	15,001.0	-774.7
2046	26,383.2	402.6	584.2	0.0	181.6	15,266.7	-767.1
2047	27,359.0	407.6	620.1	0.0	212.5	15,508.0	-757.1
2048	28,335.2	412.5	656.0	0.0	243.5	15,727.2	-741.8
2049	29,312.3	417.6	690.5	0.0	273.0	15,922.0	-725.3
2050	30,289.2	422.6	724.7	0.0	302.1	16,093.0	-708.5
2051	31,273.2	427.7	751.8	0.0	324.2	16,246.6	-690.8
2052	32,264.5	432.8	778.2	0.0	345.4	16,383.7	-678.8
2053	33,263.0	437.9	808.4	0.0	370.5	16,499.2	-666.6
2054	34,269.2	443.2	838.1	0.0	394.9	16,593.4	-649.4
2055	35,283.1	448.5	867.1	0.0	418.6	16,666.3	-631.5
2056	36,305.4	453.8	895.5	0.0	441.7	16,718.0	-612.9
2057	37,336.5	459.1	923.0	0.0	463.9	16,748.8	-593.7
2058	38,377.1	464.6	949.8	0.0	485.2	16,758.8	-574.1
2059	39,428.1	470.1	975.6	0.0	505.6	16,748.6	-554.0
2060	40,490.3	475.7	1,000.5	0.0	524.8	16,718.5	-533.7
2061	41,565.0	481.4	1,024.3	0.0	542.9	16,669.0	-513.2
2062	42,653.4	487.1	1,047.1	0.0	559.9	16,600.6	-492.5
2063	43,761.3	492.9	1,075.9	0.0	582.9	16,507.2	-471.9
2064	44,886.1	498.8	1,104.0	0.0	605.2	16,388.2	-443.9
2065	46,029.3	504.7	1,131.2	0.0	626.5	16,244.0	-415.1
2066	47,193.0	510.7	1,157.6	0.0	646.9	16,074.6	-385.6
2067	48,379.1	516.8	1,183.2	0.0	666.4	15,880.8	-356.4
2068	49,589.7	522.9	1,207.8	0.0	684.9	15,662.1	-324.7
2069	50,826.9	529.1	1,231.6	0.0	702.6	15,418.9	-293.3
2070	52,093.3	535.3	1,254.5	0.0	719.2	15,151.5	-261.4
2071	53,391.0	541.6	1,276.8	0.0	735.0	14,860.1	-228.9
2072	54,722.9	547.9	1,297.8	0.0	749.9	14,544.9	-195.8
2073	56,091.3	554.3	1,318.3	0.0	764.0	14,205.9	-162.1
2074	57,499.0	560.8	1,338.0	0.0	777.3	13,843.2	-127.7
2075	58,948.7	567.3	1,357.1	0.0	789.8	13,457.0	-92.7
2076	60,443.3	573.9	1,375.5	0.0	801.6	13,047.1	-56.9
							-20.3

1/ Including SST Bonds
Based on Intermediate Assumptions of the 2001 Trustees Report
With Ult TF Real Int Rate :   3.0 TF,

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Ultimate Real Yield Rate of IA   5
Annuity Yield   4.8

Table 1 — OASDI Cash Flow to General Fund of the Treasury--DeMint Proposal vs. Theoretical OASDI
In Billions of Dollars

	DeMint Proposal — Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year 1/				Theoretical Social Security with PAYGO Transfers — Net Amount of Cash-Flow from the OASDI Trust Funds to the General Fund of the Treasury During the Year 1/			
	% of Pyrl	Current $	PV Jan 1, 01	Const 2001$	% of Pyrl	Current $	PV Jan 1, 01	Const 2001$
2002	2.3	102	92	99	2.2	98	89	95
2003	-0.2	-8	-7	-8	2.2	101	86	95
2004	-0.4	-18	-15	-17	2.1	101	81	93
2005	-0.5	-23	-18	-21	2.0	102	77	90
2006	-0.6	-29	-21	-25	1.9	102	72	87
2007	-0.7	-36	-26	-32	1.8	100	67	83
2008	-0.8	-48	-30	-39	1.7	98	62	79
2009	-1.0	-61	-36	-47	1.5	94	56	73
2010	-1.1	-74	-41	-56	1.4	89	49	67
2011	-1.3	-90	-47	-65	1.2	80	42	58
2012	-1.5	-109	-54	-77	1.0	69	34	49
2013	-1.8	-133	-61	-91	0.7	55	26	38
2014	-2.0	-159	-68	-106	0.5	37	16	25
2015	-2.3	-187	-76	-120	0.2	16	6	10
2016	-2.5	-217	-83	-134	-0.1	-10	-4	-6
2017	-2.8	-250	-90	-150	-0.4	-39	-14	-23
2018	-3.0	-285	-97	-166	-0.6	-72	-24	-42
2019	-3.2	-322	-103	-181	-1.1	-108	-34	-61
2020	-3.5	-361	-108	-197	-1.4	-148	-45	-81
2021	-3.7	-399	-112	-210	-1.8	-192	-54	-101
2022	-3.8	-436	-115	-223	-2.1	-237	-63	-121
2023	-4.0	-473	-118	-234	-2.4	-284	-71	-140
2024	-4.1	-509	-119	-244	-2.7	-333	-78	-159
2025	-4.2	-545	-120	-252	-3.0	-385	-85	-178
2026	-4.3	-579	-120	-260	-3.2	-439	-91	-197
2027	-4.3	-612	-118	-266	-3.5	-494	-96	-214
2028	-4.3	-641	-117	-269	-3.7	-551	-101	-232
2029	-4.3	-665	-114	-271	-3.9	-608	-104	-248
2030	-4.2	-685	-111	-270	-4.1	-666	-107	-262
2031	-4.1	-702	-106	-268	-4.2	-722	-110	-275
2032	-4.0	-715	-102	-264	-4.4	-780	-111	-288
2033	-3.9	-725	-97	-259	-4.5	-838	-112	-299
2034	-3.7	-725	-91	-251	-4.6	-896	-113	-310
2035	-3.5	-718	-85	-241	-4.7	-951	-113	-318
2036	-3.3	-705	-78	-228	-4.7	-1,004	-112	-325
2037	-3.1	-684	-71	-215	-4.7	-1,054	-110	-331
2038	-2.8	-656	-64	-199	-4.7	-1,104	-108	-335
2039	-2.5	-621	-57	-183	-4.7	-1,155	-107	-340
2040	-2.3	-579	-50	-165	-4.7	-1,205	-105	-343
2041	-2.0	-532	-43	-147	-4.7	-1,256	-102	-346
2042	-1.7	-480	-37	-128	-4.7	-1,309	-100	-349
2043	-1.5	-430	-31	-111	-4.6	-1,366	-98	-353
2044	-1.2	-379	-26	-95	-4.6	-1,426	-97	-357
2045	-1.0	-325	-21	-79	-4.6	-1,491	-95	-361
2046	-0.8	-267	-16	-62	-4.6	-1,560	-93	-366
2047	-0.6	-198	-11	-45	-4.6	-1,634	-92	-371
2048	-0.3	-129	-7	-28	-4.6	-1,713	-90	-376
2049	-0.2	-63	-3	-13	-4.7	-1,796	-89	-382
2050	0.0	1	0	0	-4.7	-1,889	-88	-389
2051	0.0	9	0	2	-4.7	-1,987	-87	-396
2052	0.0	6	0	1	-4.8	-2,094	-86	-404
2053	0.0	6	0	1	-4.8	-2,212	-86	-413
2054	0.0	11	0	2	-4.9	-2,341	-85	-423
2055	0.0	8	0	1	-4.9	-2,476	-85	-433
2056	0.0	11	0	2	-5.0	-2,624	-84	-444
2057	0.0	7	0	1	-5.1	-2,779	-84	-456
2058	0.0	13	0	2	-5.1	-2,842	-84	-467
2059	0.0	12	0	2	-5.2	-3,115	-83	-479
2060	0.0	5	0	1	-5.3	-3,296	-83	-490
2061	0.0	9	0	1	-5.3	-3,486	-82	-502
2062	0.0	6	0	1	-5.4	-3,687	-82	-514
2063	0.0	30	1	4	-5.4	-3,896	-81	-526
2064	0.0	13	0	2	-5.5	-4,116	-81	-537
2065	0.0	12	0	1	-5.6	-4,346	-80	-549
2066	0.0	4	0	1	-5.6	-4,587	-79	-561
2067	0.0	30	0	4	-5.7	-4,841	-79	-573
2068	0.0	10	0	1	-5.7	-5,107	-78	-586
2069	0.0	27	0	3	-5.8	-5,386	-77	-598
2070	0.0	39	1	4	-5.8	-5,680	-77	-610
2071	0.0	48	1	5	-5.9	-5,989	-76	-623
2072	0.0	47	1	5	-5.9	-6,315	-75	-636
2073	0.0	42	0	4	-6.0	-6,658	-75	-649
2074	0.0	30	0	3	-6.0	-7,018	-74	-662
2075	0.0	12	0	1	-6.1	-7,389	-73	-676
2076	0.0	51	0	4	-6.1	-7,803	-73	-690
Total 2001-75		-17,041	-3,045	-8,854		-132,955	-4,268	-21,143

1/ Equals net investment in special Treasury Bonds by the Trust Funds less the Amount of General Fund transfers specified in the proposal (DeMint) or in the theoretical plan (PAYGO Transfers).

Year	Net Benefits from OASI Trust Fund	Expected Total Payments from IA	Expected Total Retirement Payments	Percentage of Total from IA
	(Billions of Constant 2001 $)			
2002	378.5	0.0	378.5	0.0
2003	384.8	0.0	384.8	0.0
2004	391.8	0.0	391.8	0.0
2005	399.6	0.0	399.6	0.0
2006	407.9	0.0	407.9	0.0
2007	417.4	0.0	417.4	0.0
2008	428.6	0.0	428.6	0.0
2009	442.4	0.1	442.5	0.0
2010	455.5	2.1	457.6	0.5
2011	470.6	4.5	475.1	1.0
2012	487.0	7.4	494.4	1.5
2013	504.6	10.7	515.3	2.1
2014	523.3	14.6	537.9	2.7
2015	542.7	19.0	561.7	3.4
2016	562.8	24.0	586.8	4.1
2017	583.4	29.7	613.0	4.8
2018	604.3	36.1	640.4	5.6
2019	625.4	43.2	668.6	6.5
2020	646.4	51.1	697.5	7.3
2021	664.9	59.9	724.8	8.3
2022	681.8	69.5	751.3	9.3
2023	697.7	80.1	777.8	10.3
2024	712.8	91.7	804.4	11.4
2025	726.2	104.4	830.6	12.6
2026	738.2	118.2	856.4	13.8
2027	749.6	133.1	882.7	15.1
2028	760.1	149.3	909.5	16.4
2029	768.4	166.8	935.2	17.8
2030	774.4	185.6	960.0	19.3
2031	778.6	205.8	984.5	20.9
2032	780.9	227.5	1,008.4	22.6
2033	781.9	250.6	1,032.6	24.3
2034	779.6	275.4	1,055.0	26.1
2035	774.4	301.8	1,076.1	28.0
2036	766.8	329.8	1,096.6	30.1
2037	757.4	359.7	1,117.0	32.2
2038	746.1	391.4	1,137.6	34.4
2039	732.8	425.0	1,157.7	36.7
2040	717.4	460.6	1,177.8	39.1
2041	700.4	498.3	1,198.7	41.6
2042	682.2	538.1	1,220.4	44.1
2043	664.8	580.3	1,245.1	46.6
2044	648.3	623.0	1,271.3	49.0
2045	631.3	668.2	1,299.4	51.4
2046	613.6	716.9	1,329.6	53.8
2047	593.1	769.7	1,362.8	56.5
2048	573.3	824.9	1,398.2	59.0
2049	555.4	879.9	1,435.2	61.3
2050	538.6	935.9	1,474.5	63.5
2051	530.0	984.3	1,514.3	65.0
2052	523.3	1,033.2	1,556.4	66.4
2053	513.6	1,082.3	1,595.9	67.8
2054	505.3	1,131.7	1,637.0	69.1
2055	498.1	1,181.2	1,679.3	70.3
2056	492.4	1,230.7	1,723.1	71.4
2057	488.1	1,280.2	1,768.3	72.4
2058	485.3	1,329.4	1,814.7	73.3
2059	483.7	1,378.4	1,862.1	74.0
2060	483.3	1,427.0	1,910.3	74.7
2061	484.0	1,475.1	1,959.1	75.3
2062	485.8	1,522.7	2,008.4	75.8
2063	481.6	1,569.5	2,051.1	76.5
2064	478.3	1,615.6	2,094.0	77.2
2065	476.0	1,660.9	2,136.9	77.7
2066	474.7	1,705.3	2,180.0	78.2
2067	474.6	1,748.8	2,223.4	78.7
2068	475.5	1,791.3	2,266.8	79.0
2069	477.4	1,832.8	2,310.2	79.3
2070	480.4	1,873.3	2,353.7	79.6
2071	484.4	1,912.8	2,397.3	79.8
2072	489.6	1,951.4	2,441.0	79.9
2073	495.9	1,989.2	2,485.0	80.0
2074	503.2	2,026.1	2,529.3	80.1
2075	511.6	2,062.2	2,573.8	80.1
2076	520.9	2,097.8	2,618.7	80.1

Calendar Year	Scheduled* Total OASDI Benefits under Present Law	PL OASDI Benefits Expected to Be Payable**	Expected Benefits Payable under DeMint Proposal*** from OASDI Total Including Trust Funds	(including IA annuity)	PL OASDI Benefits Expected to Be Payable**	Expected Benefits Payable under DeMint Proposal*** from OASDI Total including Trust Funds	IA annuity
	Billions of Constant 2001 Dollars				*Percent*		
2001	433	433	433	433	100	100	100
2002	440	440	440	440	100	100	100
2003	450	450	450	450	100	100	100
2004	460	460	460	460	100	100	100
2005	472	472	472	472	100	100	100
2006	484	484	484	484	100	100	100
2007	498	498	498	498	100	100	100
2008	513	513	513	513	100	100	100
2009	531	531	531	531	100	100	100
2010	550	550	547	550	100	100	100
2011	570	570	566	571	100	99	100
2012	593	593	866	594	100	98	100
2013	618	618	607	618	100	98	100
2014	643	643	628	644	100	98	100
2015	670	670	652	671	100	98	100
2016	699	699	676	700	100	97	100
2017	728	728	699	729	100	97	100
2018	758	758	723	759	100	96	100
2019	789	789	747	790	100	95	100
2020	820	820	771	822	100	95	100
2021	850	850	792	852	100	94	100
2022	879	879	813	882	100	93	100
2023	909	909	832	912	100	92	100
2024	938	938	850	942	100	92	100
2025	966	966	867	971	100	91	100
2026	994	994	882	1,000	100	90	100
2027	1,022	1,022	895	1,029	100	89	101
2028	1,049	1,049	907	1,056	100	88	101
2029	1,074	1,074	916	1,083	100	87	101
2030	1,098	1,098	923	1,109	100	85	101
2031	1,122	1,122	928	1,135	100	84	101
2032	1,146	1,146	932	1,160	100	83	101
2033	1,168	1,168	935	1,185	100	81	101
2034	1,188	1,188	934	1,210	100	80	102
2035	1,206	1,206	931	1,233	100	79	102
2036	1,224	1,224	928	1,256	100	77	102
2037	1,241	1,241	919	1,278	100	76	103
2038	1,257	1,169	910	1,301	93	74	103
2039	1,273	927	899	1,324	73	72	103
2040	1,288	939	888	1,347	73	71	104
2041	1,304	952	873	1,371	73	69	105
2042	1,320	965	858	1,397	73	67	106
2043	1,337	977	845	1,425	73	65	106
2044	1,354	989	832	1,455	73	63	107
2045	1,371	1,004	818	1,487	73	61	108
2046	1,389	1,017	805	1,521	73	60	108
2047	1,408	1,028	786	1,558	73	58	109
2048	1,427	1,043	771	1,596	73	56	111
2049	1,447	1,055	757	1,636	73	54	112
2050	1,468	1,068	743	1,679	73	52	113
2051	1,489	1,081	738	1,722	73	51	114
2052	1,512	1,095	734	1,767	73	50	116
2053	1,536	1,108	728	1,810	72	49	117
2054	1,561	1,122	723	1,854	72	47	118
2055	1,586	1,135	719	1,900	72	46	119
2056	1,611	1,150	716	1,947	72	45	120
2057	1,637	1,164	714	1,994	71	44	121
2058	1,664	1,178	714	2,043	71	44	122
2059	1,690	1,192	715	2,093	71	43	123
2060	1,717	1,207	717	2,144	71	42	124
2061	1,744	1,221	720	2,195	70	42	125
2062	1,772	1,237	724	2,247	70	41	126
2063	1,798	1,252	723	2,293	70	41	127
2064	1,827	1,266	723	2,339	70	40	127
2065	1,855	1,282	724	2,385	69	40	128
2066	1,884	1,298	726	2,431	69	39	129
2067	1,912	1,314	729	2,478	69	39	129
2068	1,941	1,328	733	2,525	69	38	130
2069	1,970	1,346	739	2,572	68	38	130
2070	2,000	1,362	745	2,619	68	37	131
2071	2,030	1,378	753	2,666	68	37	131
2072	2,060	1,392	762	2,713	68	37	131
2073	2,090	1,411	772	2,761	68	37	132
2074	2,121	1,428	783	2,809	68	37	132
2075	2,153	1,442	796	2,858	67	37	132
2076	2,184	1,459	809	2,907	67	37	133
					57	37	133

* Based on benefit formulas in the law, without regard to adequacy of financing.
** Assuming that benefits would be reduced as needed starting in 2038.
*** Amount from Trust funds is net of benefit offset under the proposal.

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Table 3 • Default sensitivity—IA/Annuity Yield 1-Percent below Expected

									Change in OASDI Contrib Rt from—	
NO Clawback at Death <65 If No Survivor Stock Yld 6.5%	With Ult Real TF Int Rate of 3.0 With Ult Real IA Yld Rate for Age 40+ of 4.0 With Offset Annuity Net Yld Rate of 3.8			<40 IA Yld/<65th 4.0 60	Percent of IA Assets held in SST Bonds On 12/31	IA Cntrb 5.1%, Ben Offset 100.0% Real Int Rt First 1.33 Year after earnings 2.0				
Year	Cost Rate*	Income Rate	Annual Balance	TFR** 1-1-yr		Effectv OASDI Contrib Rate	Cash Flow to the GF (Tab c) (bill cur$)	Net Purchase of SST Bonds by Individual Accounts***	IA Contrib	Transfer from GF
2001	10.49	12.72	2.23	239		12.40				
2002	10.42	12.72	2.30	284		12.40				
2003	10.43	8.70	-1.74	269	40	8.37	-7	1.58	4.03	
2004	10.48	8.39	-2.09	290	40	8.05	-18	1.72	4.35	
2005	10.56	8.32	-2.24	288	40	7.97	-24	1.76	4.43	
2006	10.64	8.25	-2.39	284	40	7.90	-31	1.81	4.50	
2007	10.77	8.18	-2.59	279	40	7.82	-41	1.86	4.58	
2008	10.93	8.15	-2.78	272	40	7.77	-53	1.89	4.63	
2009	11.12	8.12	-3.00	262	40	7.73	-67	1.93	4.67	
2010	11.30	8.09	-3.21	252	40	7.68	-82	1.95	4.72	
2011	11.47	8.05	-3.42	240	40	7.63	-99	1.97	4.77	
2012	11.70	8.01	-3.68	228	40	7.59	-122	1.99	4.81	
2013	11.94	7.98	-3.96	210	40	7.54	-148	2.00	4.86	
2014	12.20	7.95	-4.26	193	40	7.50	-177	2.02	4.90	
2015	12.48	7.94	-4.54	174	40	7.47	-208	2.02	4.93	
2016	12.75	7.94	-4.81	153	40	7.46	-242	2.02	4.94	
2017	13.03	7.93	-5.10	131	40	7.44	-280	2.01	4.96	
2018	13.31	10.33	-2.98	108	40	9.82	-320	2.01	4.98	
2019	13.58	11.63	-1.95	100	40	11.10	-363	2.00	5.00	2.40
2020	13.84	11.83	-2.01	100	40	11.29	-408	1.98	5.01	3.70
2021	14.07	12.03	-2.04	100	40	11.47	-453	1.97	5.03	3.90
2022	14.27	12.24	-2.03	100	40	11.65	-496	1.95	5.05	4.10
2023	14.45	12.46	-2.00	100	40	11.84	-544	1.92	5.06	4.30
2024	14.61	12.67	-1.94	100	40	12.03	-590	1.89	5.07	4.50
2025	14.74	12.78	-1.95	100	40	12.12	-636	1.85	5.08	4.70
2026	14.84	12.80	-2.04	100	40	12.11	-682	1.82	5.09	4.80
2027	14.91	12.91	-2.00	100	40	12.20	-727	1.77	5.10	4.80
2028	14.95	12.94	-2.01	100	40	12.20	-771	1.72	5.10	4.90
2029	14.96	12.96	-1.99	100	40	12.20	-811	1.67	5.10	4.90
2030	14.92	12.98	-1.93	100	40	12.20	-848	1.61	5.10	4.90
2031	14.85	13.01	-1.85	100	40	12.20	-884	1.55	5.10	4.90
2032	14.77	13.03	-1.74	100	40	12.20	-918	1.48	5.10	4.90
2033	14.66	12.75	-1.90	100	40	11.90	-948	1.42	5.10	4.60
2034	14.50	12.77	-1.73	100	40	11.90	-971	1.35	5.10	4.60
2035	14.31	12.59	-1.72	100	40	11.70	-988	1.29	5.10	4.40
2036	14.10	12.41	-1.69	100	40	11.50	-1,000	1.22	5.10	4.20
2037	13.87	12.23	-1.64	100	40	11.30	-1,007	1.14	5.10	4.00
2038	13.61	12.05	-1.57	100	40	11.10	-1,008	1.06	5.10	3.80
2039	13.34	11.87	-1.48	100	40	10.90	-1,005	0.98	5.10	3.60
2040	13.06	11.68	-1.38	100	40	10.70	-997	0.90	5.10	3.40
2041	12.78	11.40	-1.37	100	40	10.40	-986	0.81	5.10	3.10
2042	12.49	11.32	-1.17	100	40	10.30	-972	0.71	5.10	3.00
2043	12.22	11.14	-1.08	100	40	10.10	-959	0.62	5.10	2.80
2044	11.96	10.96	-1.00	100	40	9.90	-947	0.52	5.10	2.60
2045	11.70	10.78	-0.92	100	40	9.70	-934	0.42	5.10	2.40
2046	11.44	10.60	-0.84	100	40	9.50	-918	0.32	5.10	2.20
2047	11.16	10.53	-0.63	100	40	9.40	-894	0.20	5.10	2.10
2048	10.89	10.35	-0.54	100	40	9.20	-870	0.07	5.10	1.90
2049	10.64	10.27	-0.36	100	40	9.10	-850	-0.04	5.10	1.80
2050	10.40	10.20	-0.21	100	40	9.00	-831	-0.15	5.10	1.70
2051	10.25	10.22	-0.03	100	40	9.00	-832	-0.24	5.10	1.70
2052	10.11	10.14	0.02	100	40	8.90	-839	-0.33	5.10	1.80
2053	9.98	10.06	0.08	100	40	8.80	-844	-0.42	5.10	1.60
2054	9.85	10.08	0.23	100	40	8.80	-852	-0.50	5.10	1.50
2055	9.74	10.00	0.26	100	40	8.70	-864	-0.58	5.10	1.40
2056	9.64	10.02	0.38	100	40	8.70	-880	-0.65	5.10	1.40
2057	9.55	10.04	0.49	100	40	8.70	-901	-0.73	5.10	1.40
2058	9.47	10.06	0.59	100	40	8.70	-925	-0.80	5.10	1.40
2059	9.40	9.98	0.58	100	40	8.60	-954	-0.87	5.10	1.30
2060	9.34	10.10	0.76	100	40	8.70	-987	-0.93	5.10	1.40
2061	9.29	10.12	0.83	100	40	8.70	-1,026	-0.99	5.10	1.40
2062	9.25	10.03	0.78	100	40	8.60	-1,070	-1.05	5.10	1.30
2063	9.18	10.06	0.86	100	40	8.60	-1,085	-1.08	5.10	1.30
2064	9.13	10.06	0.93	100	40	8.60	-1,119	-1.13	5.10	1.30
2065	9.08	9.96	0.88	100	40	8.50	-1,157	-1.17	5.10	1.20
2066	9.05	10.09	1.05	100	40	8.60	-1,201	-1.21	5.10	1.30
2067	9.02	10.11	1.09	100	40	8.60	-1,251	-1.26	5.10	1.30
2068	8.99	10.12	1.12	100	40	8.60	-1,307	-1.29	5.10	1.30
2069	8.98	10.13	1.15	100	40	8.60	-1,369	-1.32	5.10	1.30
2070	8.97	10.14	1.17	100	40	8.60	-1,440	-1.34	5.10	1.30
2071	8.97	10.15	1.18	100	40	8.60	-1,518	-1.37	5.10	1.30
2072	8.98	10.21	1.23	100	40	8.60	-1,606	-1.39	5.10	1.35
2073	8.99	10.27	1.28	100	40	8.65	-1,703	-1.41	5.10	1.40
2074	9.01	10.28	1.27	100	40	8.70	-1,810	-1.42	5.10	1.40
2075	9.04	10.29	1.26	100	40	8.70	-1,927	-1.43	5.10	1.40
2076	9.07	10.30	1.23	100	40	8.70	-2,059	-1.44	5.10	1.40

Summarized 2001-2075	CostRt OASDI 12.01	IncRt OASDI 11.04	ActBal OASDI -0.97	Change in ActBal 0.89

Based on Intermediate Assumptions of the 2001 Trustees Report
With Ult TF Real Int Rate of 3.00
* Net of Benefit Offset
** Including borrowing from Ind Accts in Form of SSA Bonds
*** Excluding reinvestment of interest in SSA Bonds.

Office of the Actuary
Social Security Administration
December 18, 2001

Table 4 • DeMint: Sensitivity–IA/Annuity Yields at Expected Treas Bond Yield   IA Cntrb   5.1 %, Ben Offse 100.0 %

With Ult Real TF Int Rate of   3.0
With Ult Real IA Yld Rate for Age 40 + of 2.9
With Offset Annuity Net Yld Rate of 2.7

Real Int Rt First 1.33 Year after earnings 2.0

Year	Cost Rate*	Income Rate	Annual Balance	<40 JAYd/>&51k 2.9 / 60 TFR** 1-1-yr	Percent of IA Assets held in SST Bonds On 12/31	Effectv OASDI Contrib Rate	Cash Flow to the GF (Tab c) (bill cur$)	Net Purchase of SST Bonds by Individual Accounts***	Change in OASDI Contrib Rt from— IA Contrib	Transfer from GF
2001	10.49	12.72	2.23	239		12.40				
2002	10.42	12.72	2.30	264		12.40				
2003	10.43	8.70	-1.74	289	40	8.37	-7	1.69	4.03	
2004	10.48	8.39	-2.09	290	40	8.05	-16	1.71	4.35	
2005	10.56	8.32	-2.24	288	40	7.97	-25	1.74	4.43	
2006	10.64	8.25	-2.39	284	40	7.90	-33	1.77	4.50	
2007	10.77	8.18	-2.59	278	40	7.82	-45	1.80	4.56	
2008	10.93	8.15	-2.78	271	40	7.77	-57	1.81	4.63	
2009	11.12	8.12	-3.00	261	40	7.73	-73	1.83	4.67	
2010	11.30	8.09	-3.21	250	40	7.68	-90	1.83	4.72	
2011	11.48	8.05	-3.43	236	40	7.63	-110	1.83	4.77	
2012	11.70	8.01	-3.69	221	40	7.59	-134	1.82	4.81	
2013	11.95	7.98	-3.97	204	40	7.54	-163	1.81	4.86	
2014	12.22	7.95	-4.27	185	40	7.50	-195	1.81	4.90	
2015	12.50	7.94	-4.56	164	40	7.47	-229	1.79	4.93	
2016	12.78	7.94	-4.84	141	40	7.46	-267	1.76	4.94	
2017	13.07	9.13	-3.94	117	40	8.64	-309	1.73	4.96	
2018	13.36	11.73	-1.63	100	40	11.22	-354	1.70	4.98	1.20
2019	13.65	12.03	-1.62	100	40	11.50	-402	1.67	5.00	3.80
2020	13.92	12.22	-1.70	100	40	11.69	-453	1.64	5.01	4.10
2021	14.16	12.63	-1.54	100	40	12.07	-504	1.60	5.03	4.30
2022	14.39	12.84	-1.55	100	40	12.25	-556	1.58	5.05	4.70
2023	14.59	12.95	-1.64	100	40	12.34	-609	1.51	5.06	4.80
2024	14.77	13.16	-1.61	100	40	12.53	-664	1.48	5.07	5.00
2025	14.93	13.48	-1.45	100	40	12.82	-720	1.41	5.07	5.20
2026	15.06	13.59	-1.47	100	40	12.91	-776	1.36	5.08	5.50
2027	15.17	13.70	-1.47	100	40	13.00	-833	1.30	5.09	5.50
2028	15.25	13.72	-1.52	100	40	13.00	-889	1.24	5.10	5.70
2029	15.29	13.86	-1.44	100	40	13.10	-943	1.17	5.10	5.70
2030	15.30	13.97	-1.33	100	40	13.20	-996	1.10	5.10	5.80
2031	15.28	13.98	-1.30	100	40	13.20	-1,049	1.03	5.10	5.90
2032	15.25	14.01	-1.24	100	40	13.20	-1,101	0.96	5.10	5.90
2033	15.18	13.93	-1.25	100	40	13.10	-1,150	0.89	5.10	5.80
2034	15.07	13.85	-1.23	100	40	13.00	-1,193	0.82	5.10	5.70
2035	14.94	13.76	-1.17	100	40	12.90	-1,232	0.75	5.10	5.60
2036	14.78	13.68	-1.10	100	40	12.80	-1,267	0.68	5.10	5.50
2037	14.60	13.59	-1.01	100	40	12.70	-1,300	0.60	5.10	5.40
2038	14.40	13.41	-0.99	100	40	12.50	-1,329	0.53	5.10	5.20
2039	14.19	13.32	-0.87	100	40	12.40	-1,355	0.46	5.10	5.10
2040	13.97	13.13	-0.84	100	40	12.20	-1,379	0.37	5.10	4.90
2041	13.76	13.05	-0.71	100	40	12.10	-1,402	0.29	5.10	4.80
2042	13.54	12.86	-0.68	100	40	11.90	-1,426	0.21	5.10	4.60
2043	13.33	12.78	-0.55	100	40	11.80	-1,449	0.13	5.10	4.50
2044	13.13	12.69	-0.44	100	40	11.70	-1,476	0.05	5.10	4.40
2045	12.93	12.51	-0.42	100	40	11.50	-1,500	-0.04	5.10	4.20
2046	12.73	12.42	-0.31	100	40	11.40	-1,526	-0.12	5.10	4.10
2047	12.52	12.34	-0.18	100	40	11.30	-1,548	-0.21	5.10	4.00
2048	12.32	12.16	-0.16	100	40	11.10	-1,572	-0.31	5.10	3.80
2049	12.13	12.17	0.04	100	40	11.10	-1,599	-0.39	5.10	3.80
2050	11.96	12.09	0.13	100	40	11.00	-1,630	-0.46	5.10	3.70
2051	11.84	12.11	0.26	100	40	11.00	-1,678	-0.55	5.10	3.70
2052	11.75	12.02	0.28	100	40	10.90	-1,733	-0.61	5.10	3.60
2053	11.66	12.04	0.38	100	40	10.90	-1,793	-0.68	5.10	3.60
2054	11.58	12.06	0.47	100	40	10.90	-1,859	-0.74	5.10	3.60
2055	11.51	12.07	0.56	100	40	10.90	-1,930	-0.80	5.10	3.60
2056	11.45	12.08	0.63	100	40	10.80	-2,008	-0.85	5.10	3.60
2057	11.40	12.00	0.60	100	40	10.80	-2,091	-0.91	5.10	3.50
2058	11.35	12.11	0.76	100	40	10.90	-2,180	-0.96	5.10	3.50
2059	11.31	12.02	0.72	100	40	10.80	-2,274	-1.00	5.10	3.50
2060	11.27	12.14	0.88	100	40	10.90	-2,375	-1.05	5.10	3.50
2061	11.24	12.05	0.81	100	40	10.80	-2,482	-1.09	5.10	3.50
2062	11.22	12.16	0.95	100	40	10.90	-2,596	-1.13	5.10	3.50
2063	11.19	12.17	0.98	100	40	10.90	-2,703	-1.16	5.10	3.50
2064	11.17	12.09	0.91	100	40	10.80	-2,830	-1.19	5.10	3.50
2065	11.16	12.20	1.04	100	40	10.90	-2,964	-1.22	5.10	3.50
2066	11.15	12.21	1.06	100	40	10.90	-3,108	-1.25	5.10	3.50
2067	11.14	12.22	1.07	100	40	10.90	-3,260	-1.28	5.10	3.60
2068	11.14	12.23	1.08	100	40	10.90	-3,422	-1.31	5.10	3.60
2069	11.15	12.33	1.19	100	40	11.00	-3,595	-1.33	5.10	3.70
2070	11.16	12.34	1.19	100	40	11.00	-3,779	-1.35	5.10	3.70
2071	11.17	12.35	1.18	100	40	11.00	-3,975	-1.37	5.10	3.70
2072	11.19	12.36	1.17	100	40	11.00	-4,185	-1.39	5.10	3.70
2073	11.21	12.47	1.26	100	40	11.10	-4,408	-1.41	5.10	3.80
2074	11.24	12.47	1.24	100	40	11.10	-4,645	-1.43	5.10	3.80
2075	11.26	12.58	1.32	100	40	11.20	-4,898	-1.44	5.10	3.90
2076	11.30	12.59	1.29	100	40	11.20	-5,169	-1.45	5.10	3.90

Summarized

2001 -2076	CostRt OASDI 12.70	IncRt + OASDI 11.99	ActBal OASDI -0.70	Change in ActBal 1.16

Table 3. Monthly Annuity as Percent of Social Security Benefit – Single Annuity– UNISEX

Retire at 65   *PRELIMINARY**   *Contrib Rt:*   8 % for $1,   3 % for Max

Percent of Present Law OASDI Retirement Benefit Provided with Annuity from Spec% IA

Contributions Start 2003, or Age 21, If Later, Through Age 64

DeMint Contrib Rts Based on Formula

Percent of Assets Invested in Equities					IA Annual Admin =	0.1	% of
60.0%	88.6%	31.4%	0.0%		IA Annuity Admin =	0.3	Assets
Percent of Assets in Corporate Bonds							
0.0%	0.0%	0.0%	0.0%		–Balance in LT U.S. Govt Bonds		

Real Net Yield on Assets During Accumulation   *Real Yld @ ages <40 is*   0.00% *Higher*

	5.0	6.0	4.0	2.9
Year Attain	Annuity Real Return Rate – Net of IA Administrative Expenses			
Age 65	4.8	5.80002	3.799	2.7

Scaled Low Earner

	5.0	6.0	4.0	2.9
2012	10.9	12.4	9.5	8.1
2022	33.6	40.7	27.6	22.1
2032	67.5	87.1	52.1	39.2
2042	107.0	147.0	77.9	55.1
2052	121.6	171.1	86.6	59.8

Scaled Medium Earner

	5.0	6.0	4.0	2.9
2012	12.7	14.4	11.1	9.5
2022	37.9	45.8	31.2	25.0
2032	75.6	97.5	58.5	44.0
2042	121.4	167.0	88.4	62.5
2052	139.7	197.1	99.2	68.4

Scaled High Earner

	5.0	6.0	4.0	2.9
2012	12.8	14.5	11.2	9.6
2022	36.1	43.6	29.8	24.0
2032	71.4	92.0	55.4	41.8
2042	117.2	161.4	85.2	60.2
2052	137.4	194.7	97.3	66.8

Steady Maximum Earner

	5.0	6.0	4.0	2.9
2012	11.2	12.7	9.8	8.4
2022	29.3	35.3	24.2	19.6
2032	57.0	73.3	44.3	33.5
2042	95.7	132.0	69.5	49.1
2052	120.3	172.4	84.3	57.3

Note: "Self Annuitization" presumes that retirees would continue to invest their assets in the same manner as before retirement, and make monthly withdrawals that, on average, roughly match the pattern of a CPI-indexed life annuity.

* Note: Values may be somewhat overstated due to use of general population mortality for annuity calculations.

Earnings Scale
Factors #2: using cross section data of all fully insured for 1985-94

Based on the intermediate assumptions of the 2001 Trustees Report

OCACT/SSA December 16, 2001